

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- 75888; File No. SR-NYSEArca-2015-74)

September 10, 2015

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Regarding a Change to the Reference Index Relating to the Market Vectors Short High Yield Municipal Index ETF

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on August 26, 2015, NYSE Arca, Inc. (“Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to reflect a change to the reference index relating to the Market Vectors Short High Yield Municipal Index ETF. Shares of the Fund are currently listed and traded on the Exchange under NYSE Arca Equities Rule 5.2(j)(3). The text of the proposed rule change is available on the Exchange’s website at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Commission has approved listing and trading on the Exchange of shares (“Shares”) of the Market Vectors Short High Yield Municipal Index ETF (“Fund”) under NYSE Arca Equities Rule 5.2(j)(3), which governs the listing and trading of Investment Company Units (“Units”).⁴ Shares of the Fund are currently listed and traded on the Exchange.

The Fund is a series of the Market Vectors ETF Trust. Van Eck Associates Corporation is the investment adviser (“Adviser”) for the Fund. Van Eck Securities Corporation is the Fund’s distributor (“Distributor”). Van Eck Associates Corporation also is the administrator for the Fund (the “Administrator”). The Bank of New York Mellon is the custodian of the Fund’s assets and provides transfer agency and fund accounting services to the Fund.

As described in the Release, the investment objective of the Fund is to seek to replicate as closely as possible, before fees and expenses, the price and yield performance of the Barclays Municipal High Yield Short Duration Index (the “Short High Yield Index” or “Index”).⁵ The

⁴ See Securities Exchange Act Release No. 71232 (January 3, 2014), 79 FR 1662 (January 9, 2014) (SR-NYSEArca-2013-118) (order approving listing and trading of shares of the Market Vectors Short High Yield Municipal Index ETF) (“Order”). See also, Securities Exchange Act Release No. 70871 (November 14, 2013), 78 FR 69503 (November 19, 2013)(SR-NYSEArca-2013-118) (notice of proposed rule change relating to listing and trading of shares of the Market Vectors Short High Yield Municipal Index ETF) (“Notice” and, together with the Order, the “Release”).

⁵ As described in the Release, the Exchange submitted a proposed rule change to permit listing and trading of Shares of the Fund because the Index did not meet all of the “generic” listing requirements of Commentary .02(a) to NYSE Arca Equities Rule

Index is a market size weighted index composed of publicly traded municipal bonds that cover the U.S. dollar denominated high yield short-term tax-exempt bond market. The majority of the Index's constituents are from the revenue sector, with some constituents being from the general obligation sector. The revenue sector is divided into industry sectors that consist of but may not be limited to electric, health care, transportation, education, water and sewer, resource recovery, leasing and special tax. The Index is calculated using a market value weighting methodology, provided the allocation to issuers from the territories of the United States, including: Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Northern Mariana Islands, each individually does not exceed 8%. The market value of each bond over the limit is adjusted on a pro-rata basis.⁶

The Index Provider is proposing to slightly revise the Index methodology as described in the Release as follows. The revised Short High-Yield Index ("Revised Index") will have a targeted 40% weight in the Muni High Yield/\$100 Million Deal Size Index (reduced from 50% weight). In addition, the Revised Index will have a 10% weight in the Muni A-Rated Index, which is comprised of investment grade components, as described below. The Revised Index will continue to have a 25% weight in the Muni High Yield/Under \$100 Million Deal Size Index

5.2(j)(3) applicable to the listing of Units based on fixed income securities indexes. The Index met all such requirements except for those set forth in Commentary .02(a)(2). Commentary .02(a)(2) to NYSE Arca Equities Rule 5.2(j)(3) provides that components that in the aggregate account for at least 75% of the weight of the index or portfolio each shall have a minimum original principal amount outstanding of \$100 million or more.

⁶ The Index is published by Barclays Capital, Inc. ("Index Provider"). The Index Provider is a registered broker-dealer and has implemented a fire wall with respect to its relevant personnel regarding access to information concerning the composition and/or changes to the Index. In addition, the Index Provider is affiliated with a broker-dealer and has implemented a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition and/or changes to the Index. The Index Provider and its broker-dealer affiliate have implemented procedures designed to prevent the use and dissemination of material, non-public information regarding the Index.

and a 25% weight in the Muni Baa-Rated/\$100 Million Deal Size Index, as described in the Release.

The Revised Index will be comprised of four total return, market size weighted benchmark indexes with target weights as follows:

- 40% weight in Muni High Yield/\$100 Million Deal Size Index. To be included in the Muni High Yield/\$100 Million Deal Size Index, bonds must be unrated or rated Ba1/BB+ or lower by at least two of the following rating agencies if all three rate the bond: Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's, Inc. ("S&P") and Fitch, Inc. ("Fitch"). If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be Ba1/BB+ or lower. Bonds in the Muni High Yield/\$100 Million Deal Size Index must have an outstanding par value of at least \$3 million and be issued as part of a transaction of at least \$100 million.⁷
- 25% weight in Muni High Yield/Under \$100 Million Deal Size Index. To be included in the Muni High Yield/Under \$100 Million Deal Size Index, bonds must be unrated or rated Ba1/BB+ or lower by at least two of the following rating agencies if all three rate the bond: Moody's, S&P and Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be Ba1/BB+ or lower. Bonds in the Muni High Yield/Under \$100 Million Deal Size Index must have an outstanding par value of at least \$3 million and be issued as part of a transaction of under \$100 million but over \$20 million.⁸

⁷ As described in the Release, currently 50% of the Index weight is in the Muni High Yield/\$100 Million Deal Size Index.

⁸ The 25% weighting in the Muni High Yield/Under \$100 Million Deal Size Index is

- 25% weight in Muni Baa-Rated/\$100 Million Deal Size Index. To be included in the Muni Baa-Rated/\$100 Million Deal Size Index, bonds must have a Barclays credit quality classification between Baa1/BBB+ and Baa3/BBB-. Barclays credit quality classification is based on the three rating agencies, Moody's, S&P and Fitch. If two of the three agencies rate the bond equivalently, then that rating is used. If all three rate the bond differently, the middle rating is used. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be Baa1/BBB+, Baa2/BBB, or Baa3/BBB-. The bonds must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$100 million.⁹

- 10% weight in Muni A-Rated Index. To be included in the Muni A-Rated Index, bonds must have a Barclays credit quality classification between A1/A+ and A3/A-. The Barclays credit quality classification is based on the three rating agencies, Moody's, S&P and Fitch. If two of the three agencies rate the bond equivalently, then that rating is used. If all three rate the bond differently, the middle rating is used. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be A1/A+, A2/A, or A3/A-. The bonds must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million.

Remarketed issues are not allowed in the benchmark. All bonds must have a fixed rate, a dated-date (i.e., the date when interest begins to accrue) after December 31, 1990 and a nominal

identical to such weighting as set forth in the Release.

⁹ The 25% weighting in the Muni Baa-Rated/\$100 Million Deal Size Index is identical to such weighting as set forth in the Release.

maturity of 1 to 12 years. Taxable municipal bonds, bonds with floating rates and derivatives are excluded from the Short High-Yield Index.

The composition of the Revised Index will be rebalanced monthly. Interest and principal payments earned by the component securities will be held in the Revised Index without a reinvestment return until month end when they are removed from the Revised Index.

Total returns will be calculated based on the sum of price changes, gain/loss on repayments of principal, and coupons received or accrued, expressed as a percentage of beginning market value. The Revised Index will be calculated and will be available once a day.

The Exchange is submitting this proposed rule change because the Revised Index does not meet all of the “generic” listing requirements of Commentary .02(a) to NYSE Arca Equities Rule 5.2(j)(3) applicable to the listing of Units based on fixed income securities indexes. The Revised Index meets all such requirements except for those set forth in Commentary .02(a)(2).¹⁰ Specifically, as of June 30, 2015, 30.10% of the weight of the Revised Index components have a minimum original principal amount outstanding of \$100 million or more.

As of June 30, 2015, 69.73% of the weight of the Revised Index components was composed of individual maturities that were part of an entire municipal bond offering with a minimum original principal amount outstanding of \$100 million or more for all maturities of the offering. In addition, the total dollar amount outstanding of issues in the Revised Index was approximately \$224.6 billion and the average dollar amount outstanding of issues in the Index was approximately \$23.7 million. Further, the most heavily weighted component represents 2.44% of the weight of the Revised Index and the five most heavily weighted components

¹⁰ Commentary .02(a)(2) to NYSE Arca Equities Rule 5.2(j)(3) provides that components that in the aggregate account for at least 75% of the weight of the index or portfolio each shall have a minimum original principal amount outstanding of \$100 million or more.

represent 9.47% of the weight of the Revised Index.¹¹ Therefore, the Exchange believes that, notwithstanding that the Index does not satisfy the criterion in NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 (a)(2), the Revised Index is sufficiently broad-based to deter potential manipulation, given that it is composed of approximately 9,481 issues and 900 unique issuers. In addition, the Revised Index securities are sufficiently liquid to deter potential manipulation in that a substantial portion (69.73%) of the Revised Index weight is composed of maturities that are part of a minimum original principal amount outstanding of \$100 million or more, and in view of the substantial total dollar amount outstanding and the average dollar amount outstanding of Revised Index issues, as referenced above.

In addition, the average daily notional trading volume for Revised Index components for the period from June 30, 2014 to June 30, 2015 was approximately \$323.6 million and the sum of the notional trading volumes for the same period was \$ 82.2 billion.

The Revised Index value, calculated and disseminated at least once daily, as well as the components of the Revised Index and their percentage weighting, will be available from major market data vendors. In addition, the portfolio of securities held by the Fund will be disclosed daily on the Fund's website at www.marketvectorsetfs.com.

The Exchange represents that: (1) except for Commentary .02(a)(2) to NYSE Arca Equities Rule 5.2(j)(3), the Shares of the Fund currently satisfy all of the generic listing standards under NYSE Arca Equities Rule 5.2(j)(3); (2) the continued listing standards under NYSE Arca Equities Rules 5.2(j)(3) and 5.5(g)(2) applicable to Units shall apply to the Shares;

¹¹ Commentary .02(a)(4) to NYSE Arca Equities Rule 5.2(j)(3) provides that no component fixed-income security (excluding Treasury Securities and GSE Securities, as defined therein) shall represent more than 30% of the weight of the index or portfolio, and the five most heavily weighted component fixed-income securities in the index or portfolio shall not in the aggregate account for more than 65% of the weight of the index or portfolio.

and (3) the Trust is required to comply with Rule 10A-3 under the Act¹² for the initial and continued listing of the Shares. In addition, the Exchange represents that the Shares will comply with all other requirements applicable to Units including, but not limited to, requirements relating to the dissemination of key information such as the value of the Index and the applicable Intraday Indicative Value (“IIV”),¹³ rules governing the trading of equity securities, trading hours, trading halts, surveillance, and the Information Bulletin to Equity Trading Permit Holders (“ETP Holders”), as set forth in Exchange rules applicable to Units and prior Commission orders approving the generic listing rules applicable to the listing and trading of Units.¹⁴

The current value of the Revised Index will be widely disseminated by one or more major market data vendors at least once per day, as required by NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 (b)(ii). The IIV for Shares of the Fund will be disseminated by one or more major market data vendors, updated at least every 15 seconds during the Exchange’s Core Trading Session, as required by NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 (c).

The Adviser represents that there is no change to the Fund’s investment objective. The Fund will continue to comply with all initial and continued listing requirements under NYSE Arca Equities Rule 5.2(j)(3).

¹² 17 CFR 240.10A-3.

¹³ The IIV will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Exchange’s Core Trading Session of 9:30 a.m. to 4:00 p.m., Eastern time. Currently, it is the Exchange’s understanding that several major market data vendors display and/or make widely available IIVs taken from the Consolidated Tape Association (“CTA”) or other data feeds.

¹⁴ See, e.g., Securities Exchange Act Release Nos. 55783 (May 17, 2007), 72 FR 29194 (May 24, 2007) (SR-NYSEArca-2007-36) (order approving NYSE Arca generic listing standards for Units based on a fixed income index); 44551 (July 12, 2001), 66 FR 37716 (July 19, 2001) (SR-PCX-2001-14) (order approving generic listing standards for Units and Portfolio Depositary Receipts); 41983 (October 6, 1999), 64 FR 56008 (October 15, 1999) (SR-PCX-98-29) (order approving rules for listing and trading of Units).

Except for the changes noted above, all other facts presented and representations made in the Release remain unchanged.

All terms referenced but not defined herein are defined in the Release.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)¹⁵ that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices, and is designed to promote just and equitable principles of trade and to protect investors and the public interest, in that the Adviser represents that there is no change to the Fund's investment objective. Under the revised Index methodology, there will be a 40% weight in the Muni High Yield/\$100 Million Deal Size Index (reduced from 50% weight). In addition, the Revised Index will have a 10% weight in the Muni A-Rated Index, which is comprised of investment grade components. The Revised Index will continue to have a 25% weight in the Muni High Yield/Under \$100 Million Deal Size Index and a 25% weight in the Muni Baa-Rated/\$100 Million Deal Size Index, as described in the Release. Therefore, the benchmark indexes would include a higher overall percentage in investment grade and, specifically, higher rated investment grade municipal issues, than under the current Index methodology. The Exchange believes that, as with the current Index, the Revised Index will be sufficiently broad-based to deter potential manipulation, and the Revised Index components will

¹⁵ 15 U.S.C. 78f(b)(5).

be sufficiently liquid to deter potential manipulation in that a substantial portion (69.73%) of the Revised Index weight will be composed of maturities that are part of a minimum original principal amount outstanding of \$100 million or more. In addition, because 90% of the Revised Index weight will consist of the same benchmark index weightings as described in the Release, there will continue to be substantial total dollar amount outstanding and average dollar amount outstanding of Revised Index issues. As with the current Index, the Revised Index value, calculated and disseminated at least once daily, as well as the components of the Revised Index and their respective percentage weightings, will be available from major market data vendors. In addition, the portfolio of securities held by the Fund will be disclosed on the Fund's website. The IIV for Shares of the Fund will be disseminated by one or more major market data vendors, updated at least every 15 seconds during the Exchange's Core Trading Session.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that the Fund will continue to comply with all initial and continued listing requirements under NYSE Arca Equities Rule 5.2(j)(3). As noted above, the Revised Index meets all such requirements except for those set forth in Commentary .02(a)(2).¹⁶ Specifically, as of as of June 30, 2015, 30.10% of the weight of the Revised Index components have a minimum original principal amount outstanding of \$100 million or more. In addition, the total dollar amount outstanding of issues in the Revised Index was approximately \$224.6 billion and the average dollar amount outstanding of issues in the Index was approximately \$23.7 million. Further, the most heavily weighted component represents 2.44% of the weight of the Revised Index and the five most heavily weighted

¹⁶ See note 10, supra.

components represent 9.47% of the weight of the Revised Index.¹⁷ Therefore, the Exchange believes that, notwithstanding that the Index does not satisfy the criterion in NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 (a)(2), the Revised Index is sufficiently broad-based to deter potential manipulation, given that it is composed of approximately 9,481 issues and 900 unique issuers. In addition, the Revised Index securities are sufficiently liquid to deter potential manipulation in that a substantial portion (69.73%) of the Revised Index weight is composed of maturities that are part of a minimum original principal amount outstanding of \$100 million or more, and in view of the substantial total dollar amount outstanding and the average dollar amount outstanding of Revised Index issues, as referenced above.

In addition, the average daily notional trading volume for Revised Index components for the period from June 30, 2014 to June 30, 2015 was approximately \$323.6 million and the sum of the notional trading volumes for the same period was \$82.2 billion.

The Revised Index value, calculated and disseminated at least once daily, as well as the components of the Revised Index and their percentage weighting, will be available from major market data vendors. In addition, the portfolio of securities held by the Fund will be disclosed daily on the Fund's website at www.marketvectorsetfs.com.

The Adviser represents that there is no change to the Fund's investment objective. Except for the changes noted above, all other representations made in the Release remain unchanged.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The

¹⁷ See note 11, supra.

proposed changes will accommodate continued listing and trading of an issue of Managed Fund Shares that holds municipal securities.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register, or such later date up to 90 days from the date of publication (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSEArca-2015-74 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEArca-2015-74. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Section, 100 F Street, NE, Washington, DC 20549 on official business days between 10 a.m. and 3 p.m. Copies of the filing will also be available for inspection and copying at the NYSE's principal office and on its Internet website at www.nyse.com. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer

to File Number SR-NYSEArca-2015-74 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Robert W. Errett
Deputy Secretary

¹⁸ 17 CFR 200.30-3(a)(12).